



# OCC ADVISORY LETTER

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Comptroller of the Currency  
Administrator of National Banks

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Subject: Year 2000 Q&A Guidance

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**TO:** Chief Executive Officers of National Banks, Federal Branches, Service Providers,  
Software Vendors, Department and Division Heads, and Examining Personnel

This advisory is to alert you to the recent release of FFIEC guidance, "Questions and Answers Concerning FFIEC Year 2000 Policy." The guidance responds to commonly asked questions of financial institutions and their service providers and software vendors concerning the Year 2000 and focuses primarily on testing, the most difficult and time-consuming phase of a financial institution's Year 2000 preparation process.

The Q&A guidance reiterates previous FFIEC guidance that, to the extent possible, financial institutions should test their systems for Year 2000 readiness in their own unique operating environments, but responds to concerns expressed that it is not always feasible for a financial institution that relies on service providers or software vendors to perform Year 2000 testing in its own environment. Specifically, the guidance states that a financial institution may rely on proxy testing by service providers, provided certain conditions are met. Also, for the first time, the FFIEC states that proxy tests for products provided by software vendors may be acceptable provided the specific conditions outlined in the guidance are met.

In addition, the guidance covers testing documentation, testing expectations for updates to software programs, FFIEC agency examination of service providers and software vendors, and validation of contingency plans.

Financial institutions, service providers and software vendors also are reminded in the guidance that they may not disclose Year 2000 examination report information, including Year 2000 ratings. The FFIEC agencies are solely responsible for disclosing this information to client financial institutions.

The FFIEC guidance is available on the OCC's Homepage at [www.occ.treas.gov](http://www.occ.treas.gov). For more information on Year 2000 issues, contact the Year 2000 Supervision Policy Division at (202) 874-2340.

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Attachment